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BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. d/b/a METRO HEALTH

Baton Rouge, Louisiana

Annual Financial Report

As of and for the Year Ended December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/1/10

DONALD C. De VILLE

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810

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INDEPENDENT AUDITOR'S REPORT

June 23, 2010

Members of the Board of Directors Baton Rouge Black Alcoholism Council, Inc. Baton Rouge, Louisiana

I have audited the accompanying Statement of Financial Position of Baton Rouge Black Alcoholism Council, Inc. (a non-profit organization) as of December 31, 2009 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. The financial statements are the responsibility of Baton Rouge Black Alcoholism Council, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Baton Rouge Black Alcoholism Council, Inc. as of December 31, 2009, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated June 23, 2010, on my consideration of Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Respectfully submitted

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BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. STATEMENT OF FINANCIAL POSITION DECEMBER 31,2009

ASSETS:	
Cash	\$6,597
Grants and Contracts Receivable	79,214
Fixed Assets, net	3,223
Total Assets	89,034
LIABILITES AND NET ASSETS:	
LIABILITIES:	
Bank Overdraft	\$45,839
Line of Credit	819
Loan from Employee	10,000
Accounts Payable	9,526
Employee Benefits Payable	6,514
Total Liabilities	72,698
NET ASSETS	
Unrestricted	16,336
Total Net Assets	16,336
Lordi Mer 1/99er9	10,330
TOTAL LIABILITES AND NET ASSETS	. 89,034

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31,2009

Revenues, gains and other support:	
Support fron the Public:	
Contributions	\$2,367
Grants and Contracts	562,102
Resource Income	0
Fund Raising	9,059
Other Income	1,674
Total Revenue, Gains and Other Support	575,202
EXPENSES:	
Program Services:	
HIV/AIDS/STD Prevention	534,782
Total Program Services	534,782
Supporting Services:	
General Operations	74,487
Total Supporting Services	74,487
Total Expenses	609,269
Increase in Net Assets	(34,067)
NET ASSETS AT BEGINNING OF YEAR	40,346
Prior Period Adjustment	10,057
NET ASSETS AT BEGINNING OF YEAR, Restated	50,403
NET ASSETS AT END OF YEAR	16,336

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. STATEMENT OF FUNCTIONAL EXPENSE YEAR ENDED DECEMBER 31, 2009

		SUPPORT SER	RVICES	
	PROGRAM		FUND	
	SERVICES	MANAGEMENT [DEVELOPMENT	<u>TOTAL</u>
Salaries	\$331,890	\$62,948	\$0	\$394,838
Payroll Taxes	27,385	5,216	0	32,601
Employee Benefits	12,711	3,383	0	16,094
Accounting	7,421	2,582	0	10,003
Advertising	2,000	0	0	2,000
Bank Charges	1,007	0	0	1,007
Contract Labor	542	0	0	542
Depreciation	1,777	0	0	1,777
Donations	150	0	0	150
Dues and Subscription:	30	0	0	30
Incentives	412	0	0	412
Insurance	21,775	0	0	21,775
Interest Expense	0	358	0	358
Legal	60	0	0	60
Licenses	5	0	0	5
Meetings	2,413	0	0	2,413
Miscellaneous	8,716	0	0	8,716
Occupancy	19,591	0	0	19,591
Postage	1,060	0	0	1,060
Printing	563	0	0	563
Professional	24,695	0	0	24,695
Repairs	255	0	0	255
Supplies	36,700	0	0	36,700
Telephone	9,825	0	0	9,825
Travel	23,799	0	0	23,799
Total Expenses	534,782	74,487	0	609,269

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITES: Changes in net assets	(\$34,067)
Changes in het assets	(\$34,007)
Adjustment to reconcile increases in net assets to net assets provided by operating activites:	
Depreciation	1,777
Prior period adjustment	10,057
(Increases) decreases in operating assets:	
Grants and contracts receivable	7,290
Increases (decreases) in operating liabilites:	
Bank overdrafts	33,004
Accounts payable	(2,146)
Employee benefits payable	(3,701)
Lease payable	(1,430)
Net Cash Provided by Operating Activities	10,784
Cash Flows From Investing Activities:	
Purchase of property, plant and equipment	0
Net Cash Provided (used) By Investing Activities	0
Cash Flows From Financing Activities:	
Proceeds from loans	34,727
Repayment of loans	(39,217)
Net Cash Provided (used) By Investing Activities	(4,490)
Net Increase (Decrease) in Cash	6,294
Cash and cash equivalents at beginning of year	303
Cash and cash equivalents at end of year	6,597

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Baton Rouge Black Alcoholism Council, Inc. (Organization) is a Louisiana voluntary health non-profit corporation, incorporated on December 12, 1988.

The mission of the Organization is to develop and implement strategies that will reduce the spread of HIV/AIDS and other sexually transmitted diseases (STDs); to educate and provide risk reduction counseling and testing to individuals in institutional and community settings; to encourage early HIV testing, to motivate behavioral changes in persons with behaviors that put them at risk of getting infected with HIV/STDs; to increase the awareness of preventive services; to render support and directions to persons infected with HIV and other STDs; to offer alcohol and drug prevention and referral services (basic education, and connect individuals with alcohol or drug problems to counseling and treatment services; to offer educational services on health issues.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position ad activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently the Organization has no temporarily or permanently restricted net assets.

Public Support and Revenue

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions or grants are received are classified as unrestricted contributions and grants.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At year-end there was on allowance for uncollectible.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Prepaid

Material insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Tax

The Organization is exempt from Federal Income Taxes under Section 502 (c) (3) of the Internal Revenue Code, and has been designated as an organization other than a private foundation.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated amount the programs and supporting services benefited.

Note 2 - CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains a couple of bank accounts at a couple of financial institutions. The Organization's book balance as of December 31, 2009 was \$(39,242). Cash in these institutions were maintained in demand accounts. The \$12,110 bank balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 3 – GRANTS RECEIVABLE

The Organization's promise to give (pledge receivables) at year end consist of the Following:

Louisiana Office of Public Health	\$31,239
Children's Hospital	2,152
East Baton Rouge City/Parish	42,378
Total	75,769
	======

NOTE 4 - FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	22,381
Accumulated Depreciation	(19,156)
Book Value	22,225

NOTE 6 – LOANS PAYABLE

The Organization has an overdraft protection line of credit with Chase Bank in the amount of \$4,100. The line carries an interest rate of 19.24% interest. As of year-end the Organization has used \$819 and has \$3,281 of available credit.

During the year an employee loaned the Organization \$10,000 at zero percent interest to cover payroll. As of year-end, \$10,000 was still outstanding and payable.

NOTE 7 – LEASE OBLIGATIONS

The Organization leased offices in two community center locations from the City of Baton Rouge for a monthly rental of \$600 and \$800 per month. The leases have expired and the Organizations leases on a month to month basis.

The future rental payments are as follows:

2010 \$-0-

NOTE 8 - PRIOR PERIOD ADJUSTMENT

In the beginning of 2009, the Internal Revenue Service placed a lien on the Organization for December 31, 2008, payroll taxes. In 2009, \$10,057 was recorded to reflect the liability. In 2010, the Internal Revenue Service has released the lien when it was proved to them that the taxes were not owed. A prior period adjustment of \$10,057 was made to reflect this correction.

NOTE 9 – JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation or pending claims against the Organization.

NOTE 10 - BOARD OF DIRECTORS COMPENSATION

The Board of Directors were a voluntary board, therefore no compensation has been paid to any member.

NOTE 11 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No claims were made during the year.

NOTE 12 - ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through payments administered by the Department of Public Health and the City of Baton Rouge. If significant budget cuts are made at the federal and/or state level the amount of funds the Organization receives could be reduced significantly and have a impact on its operations. Management is aware of State budget cuts in 2010; however, the Organization received a grant from the Center Disease Control. Management believes that these actions will not adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE 13 - CONTINGENCIES

The Organization receives a portion of its revenues from governmental grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

SUPPLEMENTAL INFORMATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 23, 2010

Members of the Board of Directors Baton Rouge Black Alcoholism Council, Inc. Baton Rouge, Louisiana

I have audited the financial statements of the Baton Rouge Black Alcoholism Council, Inc. as of and for the year ended December 31, 2009, and have issued my report thereon dated June 23, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Baton Rouge Black Alcoholism Council, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baton Rouge Black Alcoholism Council, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

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BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. SCHEDULE OF PRIOR YEAR'S FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2009

Fiscal Year

Finding Corrective

Re Initially Corrective Action Taken

No. Occurred Description of Finding (Yes, No, Partially) Taken

None

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. SCHEDULE OF FINDINGS AND QUESTIONED COST FOR THE YEAR ENDED DECEMBER 31, 2009

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- No material weaknesses identified.
- No significant deficiencies identified that are not considered to a material weakness.

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings - Financial Statement Audit

None

BATON ROUGE BLACK ALCOHOLISM COUNCIL, INC. CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2009

Not Applicable